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June 9, 2004

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Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

*Doc 04-645 I believe
scored for 7-7-04*

Re: APPLICATION FOR PUBLIC HEARING.

Middle Hosston B Zone, VIXEN FIELD,
Caldwell Parish, Louisiana.

Dear Sir:

ENSIGHT ENERGY MANAGEMENT, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Middle Hosston B Zone in the Vixen Field, Caldwell Parish, Louisiana.

1. To authorize Applicant to complete, designate and utilize its Devon-Donner No. 2 Well as a substitute unit well for MH "B" SUC, said well and unit being shown on an attached plat, in exception to the well location provisions of Office of Conservation Order No. 139-F, effective September 1, 1961, and in lieu of the location approved for this well by Office of Conservation Order No. 139-F-13, effective October 28, 2003.
2. To find that designation and use of the Devon-Donner No. 2 Well as a substitute unit well for MH "B" SUC is necessary to efficiently and economically drain a portion of the Middle Hosston B Zone underlying MH "B" SUC which cannot be efficiently and economically drained by any existing well within the unit.
3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Middle Hosston B Zone in the Vixen Field, Caldwell Parish, Louisiana, was defined in Office of Conservation Order No. 139-F, effective September 1, 1961.

Pertinent data concerning this application is available for inspection at the offices of EnSight Energy Management, L.L.C., 333 Texas Street, Suite 1175, Shreveport, Louisiana 71101-3676. Any person wishing to inspect such data should call Mr. Chris Franks at (318) 429-2204 during normal business hours in order to arrange a date and time for such inspection. A copy of any

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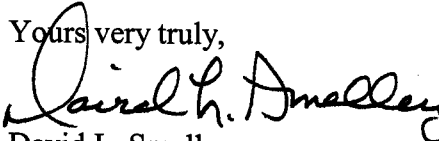
such data which is not otherwise available at the Office of Conservation can be obtained from Mr. Franks at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Monroe District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the attached plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Vixen Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,

David L. Smelley

— Attorney for EnSight Energy Management,
L.L.C.

DLS:dp
Enclosures

cc: Mr. Clarence Chandler (w/encls.)
Mr. Chris Franks (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

LEGEND

Existing Middle Hosston "B" Sand Units



Proposed Substitute Unit well at an Exception Location.
Middle Hosston "B" (MH "B" SU C)



Existing (Active) Middle Hosston "B" Unit Well



Inactive Middle Hosston "B" Unit Well

Orders Pertaining to the Middle Hosston "B" Zone: Sand Unit "C"

139-F August 21, 1961
139-F-3 March 7, 1962
139-F-13 October 28, 2003

Middle Hosston "B" Zone Well Spacing
1000' from Unit Lines, 2500' between wells

STATE EXHIBIT NO. 3
DOCKET NO. 04-645

Lee B. Mobley, et al
Olin-Kraft

9800'

EnSight - Devon-Donner #2 was drilled as a Legal Location
for the Hosston 9550 foot Sand, Res. A (Hoss 9550' RA SUD)
under authority granted by Order 139-G-5, April 25, 2002
TD 9780 MD; 9757 TVD
Completed in MHB (Pfs: 9090-9106 MD)

Inactive Middle Hosston "B" Zone
Unit Well at an Exception Location

MH "B" SUC
±740 Ac.

Definition Well
Middle Hosston "B" Zone
Sun - Olin Mathieson #1
Order 139-F; Aug. 21, 1961

Active Middle Hosston "B" Zone
Unit Well at an Exception Location

MH "B" SUE
±640 Ac.

MH "B" SUG

MH "B" SUF

MH "B" SUH

VIXEN FIELD

DOCKET NO. DATE: EXHIBIT NO.:

EnSight Energy Management, LLC
Shreveport, Louisiana

VIXEN FIELD
CALDWELL PARISH, LOUISIANA

Middle Hosston "B" Zone

UNIT PLAT

2000' 0 2000'